

# BANKING AND INSURANCE

## DEPARTMENT OF BANKING AND INSURANCE OVERVIEW

The Department of Banking and Insurance regulates the insurance and banking industries. The insurance related responsibilities of the Department include the provision of effective monitoring and regulation of the insurance industry; assurance of fair markets and rates for all authorized lines of insurance; monitoring of the real estate industry to ensure that professional standards are observed and maintained; and coordination and operation of programs to prevent insurance fraud and abuse. Fraud prevention investigatory functions were shifted to the Department of Law Public Safety in fiscal 1999 in an effort to provide more effective prosecution of insurance fraud related cases.

The Division of Banking reviews and processes applications by depository institutions for new charters, branches, relocations, acquisitions, mergers, bulk sales, stock conversions, and auxiliary offices, and for licensing all consumer lenders. In addition, the Division examines each state-chartered bank to determine whether the bank is conducting its business in conformity with the laws of the State ensuring the safety of its depositors, other creditors and the public while administering the Department's responsibilities under the federal Community Reinvestment Act.

The recommendation for the fiscal 2000 budget totals \$58.7 million in Direct State Services, representing an increase of \$837,000 over the fiscal 1999 adjusted appropriation. Of this amount, \$254,000 has been added in support of Banking Supervision and Consumer Finance functions, and increased Office of Information Technology costs. Additionally, \$583,000 has been added to accommodate additional staff who will be utilized to perform regulatory functions in the areas of Insurance Examination, Actuarial Services, and Enforcement and Consumer Protection.

### SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 1998						Year Ending June 30, 2000		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		1999 Adjusted Approp.	Requested	Recom- mended
39,552	1,732	1,121	42,405	40,140	Direct State Services	57,908	58,745	58,745
39,552	1,732	1,121	42,405	40,140	Total General Fund	57,908	58,745	58,745
<b>39,552</b>	<b>1,732</b>	<b>1,121</b>	<b>42,405</b>	<b>40,140</b>	<b>GRAND TOTAL</b>	<b>57,908</b>	<b>58,745</b>	<b>58,745</b>

# BANKING AND INSURANCE

## SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 1998						Year Ending June 30, 2000		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		1999 Adjusted Approp.	Requested	Recom- mended
					<b>DIRECT STATE SERVICES - GENERAL FUND</b>			
					<b>Economic Regulation</b>			
11,465	323	1,254	13,042	12,591	Licensing and Regulatory Affairs	13,083	13,706	13,706
3,762	171	30	3,963	3,963	Actuarial Services	4,024	4,133	4,133
2,352	108	30	2,490	2,336	Regulation of the Real Estate Industry	2,462	2,462	2,462
1,513	77	-11	1,579	1,577	Public and Regulatory Services	1,549	1,549	1,549
1,696	59	20	1,775	1,736	Unsatisfied Claims	1,742	1,742	1,742
11,333	147	92	11,572	10,632	Insurance Fraud Prevention	27,192	27,192	27,192
3,605	201	-466	3,340	3,178	Supervision and Examination of Financial Institutions	3,666	3,771	3,771
---	403	---	403	32	Pinelands Development Credit Bank	---	---	---
3,826	243	172	4,241	4,095	Administration and Support Services	4,190	4,190	4,190
<b>39,552</b>	<b>1,732</b>	<b>1,121</b>	<b>42,405</b>	<b>40,140</b>	<i>Subtotal</i>	<b>57,908</b>	<b>58,745</b>	<b>58,745</b>
<b>39,552</b>	<b>1,732</b>	<b>1,121</b>	<b>42,405</b>	<b>40,140</b>	<b>Subtotal Direct State Services - General Fund</b>	<b>57,908</b>	<b>58,745</b>	<b>58,745</b>
<b>39,552</b>	<b>1,732</b>	<b>1,121</b>	<b>42,405</b>	<b>40,140</b>	<b>TOTAL DIRECT STATE SERVICES</b>	<b>57,908</b>	<b>58,745</b>	<b>58,745</b>
<b>39,552</b>	<b>1,732</b>	<b>1,121</b>	<b>42,405</b>	<b>40,140</b>	<b>TOTAL APPROPRIATIONS DSS, GRANTS AND STATE AID</b>	<b>57,908</b>	<b>58,745</b>	<b>58,745</b>

## 50. ECONOMIC PLANNING, DEVELOPMENT AND SECURITY

### 52. ECONOMIC REGULATION

#### OBJECTIVES

1. To assure the public of fair and equitable treatment by financial institutions.
2. To inform and educate the public concerning financial matters.
3. To protect the public from financial loss resulting from the failure of financial and consumer credit institutions.
4. To assure that fair and equitable insurance markets exist to provide full availability of reliable insurance coverage.
5. To improve the efficiency and responsiveness of the prior approval rate making process.
6. To protect the public from unlawful or unfair practices by insurance or real estate agents, brokers, solicitors and salespersons.
7. To provide research and legislative support for new or revised legislation and regulations which will insure equitable pricing and reasonable underwriting standards.
8. To examine, monitor and investigate the affairs of insurance companies authorized to do business in New Jersey.
9. To process claims files against the Unsatisfied Claim and Judgment Fund.
10. To aggressively combat insurance fraud through prevention, investigations and prosecution.

#### PROGRAM CLASSIFICATIONS

01. **Licensing and Regulatory Affairs.** Insurance companies, brokers, agents and solicitors are licensed to engage in the business of insurance in the State. Companies are examined periodically for solvency and compliance with statutes and regulations. In instances of serious financial problems or insolvency, domiciled firms may be placed under the Department's jurisdiction as the rehabilitator or liquidator. The Office of the Ombudsman investigates direct property-casualty claims settlements to determine the appropriate disposition of claims. As a result of complaints and investigations, the Department may fine licensees and suspend or revoke licenses.  
Responsible for the chartering of commercial banks, savings banks, credit unions and savings and loan associations which operate in New Jersey. Responsible for investigating complaints against these institutions and/or licensees. Responsible for the licensing of all consumer credit lenders and vendors of credit as well as mortgage bankers and brokers. Processes applications of licensees and financial institutions with recommendations for their determination and performs the necessary statistical, economic and demographic research to determine the merits of these applications. Responsible for review and development of regulations.
02. **Actuarial Services.** Reviews insurance policies and other insurance forms relating to individual and group accident health, life, property and liability insurance; regulates compliance with the rating law for property and liability insurance; regulates public pension plans; verifies and analyzes liability calculations of domestic life and health insurers and participates with the Department of Health in regulating the financial aspects of health care facilities; and determines reasonableness of benefits provided in relation to premium charged.
03. **Regulation of the Real Estate Industry.** Assures that members of the industry comply with existing statutes and regulations; investigates and resolves complaints, conducts hearings involving violations and improper practices; registers and regulates out-of-State land sales through New Jersey brokers; inspects

brokers' offices; examines and licenses brokers and salespersons; and maintains a directory of licensees and publishes bulletins.

04. **Public and Regulatory Services.** Promulgates regulations and monitors proposed legislation and legal issues affecting the regulation of the insurance industry; serves as the consumer watchdog for the Department; publishes a newsletter and consumer booklets on various types of insurance; researches policy questions and investigates consumer issues; and investigates market conduct of insurance companies with regard to treatment of consumers.
05. **Unsatisfied Claims.** Pays eligible persons for hit-and-run injuries and for injuries and property damage caused by uninsured motorists. The Unsatisfied Claim and Judgment Fund Board processes claims against the Fund; makes justified payments; processes installment repayments required by settlement agreements and court orders; and secures debtor repayments to the Fund.
06. **Insurance Fraud Prevention.** Thoroughly and aggressively investigates allegations of insurance fraud in order to fully develop the facts and evidence of each case so the State can make a reasoned decision how best to address each case of insurance fraud whether by criminal prosecution, civil fraud enforcement, or administrative professional licensing enforcement. Activities of State and local law enforcement and regulatory agencies are coordinated to develop a statewide enforcement strategy addressing insurance fraud in its many forms; and serve as a liaison among state and local government and law enforcement agencies. Information is collected and analyzed about persons and entities engaging in insurance fraud related conduct in order to assist the prosecution in criminal, civil, or administrative forums. Fines are assessed with restitution made to insurance carriers.
07. **Supervision and Examination of Financial Institutions.** Responsible for the supervision and examination of state chartered commercial banks, savings banks, credit unions and savings and loan associations which operate in New Jersey. Responsible for the supervision and examination of consumer credit associations such as check cashers, check sellers, insurance premium finance companies, pawnbrokers, secondary mortgage loan companies and foreign money remitters. Ensures compliance with the mortgage loan discrimination statute. (C17:16F et seq.). Regulates, supervises and examines mortgage bankers and brokers operating (C17:11B-1 et seq.). Determines financial and legal compliance with all applicable statutes and regulations and takes appropriate legal and regulatory action to ensure compliance with existing statutes and regulations. Responsible for the examination of bank holding companies (C17:9A-1 et seq.) and savings and loan holding companies (C17:12B-281 et seq.).
08. **Pinelands Development Credit Bank.** Empowered to purchase and sell Pinelands development credits, in accordance with a program included in the Comprehensive Management Plan for the Pinelands. Provides a mechanism to facilitate both the preservation of the resources of this area and the accommodation of regional growth influences in an orderly fashion.
09. **Administration and Support Services.** Directs the activities of the Department and provides administrative and support services to all of the Department's program classifications and project activities. The Office of the Commissioner disseminates legislative and policy guidance to programs and project activities within the Department and coordinates all regulatory and legislative initiatives with the Legislature, Executive Branch and the financial community.

# BANKING AND INSURANCE

## EVALUATION DATA

	Actual FY 1997	Actual FY 1998	Revised FY 1999	Budget Estimate FY 2000
<b>PROGRAM DATA</b>				
<b>Licensing and Regulatory Affairs</b>				
Consumer Credit Associations				
Licenses Issued . . . . .	7,041	6,362	6,400	6,500
Associations subject to examination . . . . .	1,280	1,000	1,350	1,400
Examinations conducted . . . . .	315	366	400	400
Consumer Complaints				
Received . . . . .	2,137	2,096	2,000	2,000
Completed . . . . .	1,995	1,962	2,000	2,000
Inquiries and Referrals . . . . .	600	524	500	500
Insurance Licensing				
Licenses issued . . . . .	25,742	24,188	25,000	25,000
Candidates examined . . . . .	10,362	10,763	10,000	10,750
Number of Insurance Companies and Regulated Entities . . . . .	1,855	1,811	1,876	1,934
Field financial exams . . . . .	26	17	20	20
Office analysis of companies - exams . . . . .	619	619	570	588
Insurance Consumer Complaints				
Received . . . . .	13,750	13,363	14,550	14,500
Resolved . . . . .	12,771	12,149	14,000	13,000
Funds recovered on behalf of complainants . . . . .	\$3,055,962	\$2,759,427	\$3,250,200	\$3,500,000
<b>Actuarial Services</b>				
Property and Casualty				
Commercial lines filings . . . . .	1,813	2,402	2,500	2,550
Personal lines filings . . . . .	691	578	750	800
Individual risk filings . . . . .	33	39	40	42
Consent-to-rate filings . . . . .	14	18	20	22
Authorization filings . . . . .	185	135	200	225
Excess profits filings . . . . .	63	64	64	64
Statistical filings . . . . .	171	171	171	171
Surveys (a) . . . . .	498	857	857	857
Record requests . . . . .	476	494	525	550
Life and Health				
Policyforms - new . . . . .	17,153	17,605	18,500	19,000
Policyforms - processed . . . . .	17,153	17,605	18,500	19,000
<b>Regulation of the Real Estate Industry</b>				
Licensed brokers . . . . .	16,946	16,899	17,400	17,000
Licensed salespersons . . . . .	61,224	65,431	65,500	67,000
Candidates examined . . . . .	8,239	8,505	8,100	8,500
Broker offices . . . . .	537	532	550	550
Inspected . . . . .	700	375	700	500
Complaints investigated . . . . .	3,000	4,002	3,000	3,500
Licensed schools . . . . .	56	55	60	55
Licensed Satellite Sites of School . . . . .	85	96	90	90
Licensed instructors . . . . .	174	180	175	170
<b>Public and Regulatory Services</b>				
OAL submissions . . . . .	102	91	110	110
Booklets published . . . . .	10	10	10	10
Newsletters published . . . . .	12	12	12	14
<b>Unsatisfied Claims</b>				
Unsatisfied Claim and Judgment Fund				
Claim notices received . . . . .	18,622	15,709	17,000	19,000
New and reopened claims in litigation . . . . .	2,219	2,480	2,250	2,500
Number of collection payments received . . . . .	7,143	7,732	7,900	8,200

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	Actual FY 1997	Actual FY 1998	Revised FY 1999	Budget Estimate FY 2000
<b>Insurance Fraud Prevention</b>				
Auto insurance audits . . . . .	19	12	37	47
Health insurance audits . . . . .	---	13	17	25
Civil penalties collected . . . . .	\$3,332,656	\$2,732,749	\$2,000,000	\$2,500,000
Restitution of fraudulently obtained dollars . . . . .	\$4,422,037	\$354,031	\$2,000,000	\$4,000,000
Type of cases investigated (%)				
Auto . . . . .	76%	84%	82%	80%
Health . . . . .	3%	2%	3%	4%
Workers' compensation . . . . .	2%	2%	2%	3%
Homeowners . . . . .	4%	3%	4%	4%
All other . . . . .	15%	9%	9%	9%
New investigations referred . . . . .	12,418	17,737	15,000	12,000
Pending investigations . . . . .	9,695	9,826	9,000	8,000
Total investigations . . . . .	22,113 <sup>(b)</sup>	27,563	24,000	20,000
<b>Supervision and Examination of Financial Institutions</b>				
State Chartered Institutions				
Banks . . . . .	88	85	89	92
Examinations Conducted . . . . .	44	46	51	45
Bank Holding Companies . . . . .	44	41	39	37
Saving and Loan Associations . . . . .	20	17	15	15
Examinations Conducted . . . . .	9	5	7	8
<b>PERSONNEL DATA</b>				
<b>Affirmative Action Data</b>				
Male Minority . . . . .	41	41	41	41
Male Minority % . . . . .	7.1%	7.3%	8.7%	7.6%
Female Minority . . . . .	90	86	90	90
Female Minority % . . . . .	15.6%	15.3%	19.0%	16.7%
Total Minority . . . . .	131	127	131	131
Total Minority % . . . . .	22.7%	22.6%	27.7%	24.3%
<b>Position Data</b>				
Filled Positions by Funding Source				
State Supported . . . . .	566	558	469	534
All Other . . . . .	4	4	4	5
Total Positions . . . . .	570	562	473	539
Filled Positions by Program Class				
Licensing and Regulatory Affairs . . . . .	181	181	186	220
Actuarial Services . . . . .	58	57	59	71
Regulation of the Real Estate Industry . . . . .	42	43	41	45
Public and Regulatory Services . . . . .	27	23	20	27
Unsatisfied Claims . . . . .	21	25	22	31
Insurance Fraud Prevention . . . . .	124	134	47 <sup>(c)</sup>	28 <sup>(c)</sup>
Supervision and Examination of Financial Institutions . . . . .	56	49	44	64
Administration and Support Services . . . . .	61	50	54	53
Total Positions . . . . .	570	562	473	539

**Notes:**

Actual payroll counts are reported for fiscal years 1997 and 1998 as of December and revised fiscal year 1999 as of September. The Budget Estimate for fiscal year 2000 reflects the number of positions funded.

(a) Excludes Surplus Lines filings.

(b) Data revised to reflect revised data totals.

(c) Reflects the transfer of Insurance Fraud Prevention staff to the Department of Law and Public Safety, which are supported by a reimbursement of funds from the Department of Banking and Insurance.

# BANKING AND INSURANCE

## APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1998					Year Ending June 30, 2000				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	1999 Adjusted Approp.	Requested	Recommended	
11,465	323	1,254	13,042	12,591	<b>Distribution by Program</b>				
					Licensing and Regulatory Affairs	01	13,083	13,706	13,706
3,762	171	30	3,963	3,963	Actuarial Services	02	4,024	4,133	4,133
2,352	108	30	2,490	2,336	Regulation of the Real Estate Industry	03	2,462	2,462	2,462
1,513	77	-11	1,579	1,577	Public and Regulatory Services	04	1,549	1,549	1,549
1,696	59	20	1,775	1,736	Unsatisfied Claims	05	1,742	1,742	1,742
11,333	147	92	11,572	10,632	Insurance Fraud Prevention	06	27,192	27,192	27,192
3,605	201	-466	3,340	3,178	Supervision and Examination of Financial Institutions	07	3,666	3,771	3,771
---	403	---	403	32	Pinelands Development Credit Bank	08	---	---	---
<u>3,826</u>	<u>243</u>	<u>172</u>	<u>4,241</u>	<u>4,095</u>	Administration and Support Services	99	<u>4,190</u>	<u>4,190</u>	<u>4,190</u>
<b>39,552</b>	<b>1,732</b>	<b>1,121</b>	<b>42,405</b>	<b>40,140</b>	<b>Total Appropriation</b>		<b>57,908<sup>(a)</sup></b>	<b>58,745</b>	<b>58,745</b>
<b>Distribution by Fund and Object</b>									
<b>Direct State Services - General Fund</b>									
Personal Services:									
<u>27,515</u>	<u>319</u>	<u>-261</u>	<u>27,573</u>	<u>27,546</u>	Salaries and Wages		<u>24,875</u>	<u>25,639</u>	<u>25,639</u>
27,515	319	-261	27,573	27,546	Total Personal Services		24,875	25,639	25,639
450	47	-124	373	354	Materials and Supplies		346	346	346
7,850	64	463	8,377	8,356	Services Other Than Personal		14,497	14,570	14,570
873	3	-217	659	658	Maintenance and Fixed Charges		150	150	150
Special Purpose:									
---	217	---	256	1	Public Adjusters Licensing	01	---	---	---
---	39 <sup>R</sup>	---	---	---	Ombudsman Program	01	776	776	776
2,250	---	---	2,250	1,492	Additional Investigators - Insurance Fraud Prevention	06	2,250	2,250	2,250
---	---	---	---	---	Insurance Fraud Prosecution Services	06	4,500	14,540	14,540
---	200 <sup>R</sup>	-50	150	---	Supervision and Examination of Financial Institutions	07	---	---	---
---	403	---	403	32	Pinelands Development Credit Bank	08	---	---	---
<u>30</u>	<u>15</u>	<u>---</u>	<u>45</u>	<u>33</u>	Affirmative Action and Equal Employment Opportunity	99	<u>30</u>	<u>30</u>	<u>30</u>
2,280	874	-50	3,104	1,558	Total Special Purpose		17,596	17,596	17,596
584	425	1,310	2,319	1,668	Additions, Improvements and Equipment		444	444	444
<b>39,552</b>	<b>1,732</b>	<b>1,121</b>	<b>42,405</b>	<b>40,140</b>	<b>Total Direct State Services - General Fund</b>		<b>57,908</b>	<b>58,745</b>	<b>58,745</b>

## OTHER RELATED APPROPRIATIONS

<b>All Other Funds</b>									
---	3,490		40,458	38,219	Licensing and Regulatory Affairs	01	37,316	37,316	37,316
---	36,943 <sup>R</sup>	25							
---	83		134	34	Regulation of the Real Estate Industry	03	51	51	51
---	51 <sup>R</sup>	---							

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Year Ending June 30, 1998					Year Ending June 30, 2000				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	1999 Adjusted Approp.	Requested	Recom- mended	
---	---	---	---	---	Supervision and Examination of Financial Institutions	07	250	250	250
---	<u>40,567</u>	<u>25</u>	<u>40,592</u>	<u>38,253</u>	<b>Total All Other Funds</b>	<u>37,617</u>	<u>37,617</u>	<u>37,617</u>	
<b>39,552</b>	<b>42,299</b>	<b>1,146</b>	<b>82,997</b>	<b>78,393</b>	<b>GRAND TOTAL</b>	<b>95,525</b>	<b>96,362</b>	<b>96,362</b>	

**Notes**

(a) The fiscal year 1999 appropriation has been adjusted for the allocation of salary program; has been reduced to reflect the transfer of funds to the Salary Increases and Other Benefits accounts; and has been adjusted to reflect a proposed supplemental appropriation.

**Language Recommendations -- Direct State Services - General Fund**

Receipts derived from extraordinary financial condition examinations or actuarial certifications of loss reserves are appropriated for the conduct of such examinations or certifications, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 1999 in the Public Adjusters' Licensing account, together with receipts derived from the "Public Adjusters' Licensing Act," P.L. 1993, c. 66 (C.17:22B-1 et seq.), are appropriated for the administration of the act, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for Unsatisfied Claims is appropriated out of the Unsatisfied Claim and Judgment Fund and, in addition, there are appropriated out of that fund additional sums as may be necessary for the payment of claims pursuant to section 7 of P.L. 1952, c. 174 (C.39:6-67), and for such additional costs as may be required to administer the fund pursuant to P.L. 1952, c. 174 (C.39:6-61 et seq.).

Receipts from the investigation of out-of-State land sales are appropriated for the conduct of those investigations.

There are appropriated from the assessments imposed by the New Jersey Individual Health Coverage Program Board, created pursuant to the "Individual Health Insurance Reform Act," P.L. 1992, c. 161 (C.17B:27A-2 et seq.), and by the New Jersey Small Employer Health Benefits Program Board, created pursuant to P.L. 1992, c. 162 (C.17B:27A-17 et seq.), such sums as may be necessary to carry out the provisions of those acts, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated from the Real Estate Guaranty Fund such sums as may be necessary to pay claims.

There are appropriated out of the New Jersey Automobile Insurance Guaranty Fund such sums as may be necessary to satisfy the financial obligations of the New Jersey Automobile Full Insurance Underwriting Association, as set forth in the "Fair Automobile Insurance Reform Act of 1990," P.L. 1990, c. 8 (C.17:33B-1 et al.), subject to the provisions of subsection e. of section 23 of P.L. 1990, c. 8 (C.17:33B-5).

All monies deposited in the Division of Motor Vehicles Surcharge Fund are appropriated to the Market Transition Facility Revenue Fund in accordance with the provisions of P.L. 1994, c. 57 (C.34:1B-21.1 et seq.).

The amount appropriated hereinabove for FAIR Act Administration shall be funded from the additional taxes on the taxable premiums of insurers for the payment of Department of Banking and Insurance administrative costs related to its statutory duties, pursuant to P.L. 1990, c. 8 (C.17:33B-1 et al.).

In addition to the sum hereinabove, such other sums as the Director of the Division of Budget and Accounting shall determine, are appropriated from the assessments of the insurance industry pursuant to P.L. 1995, c. 156 (C.17:1C-19 et seq.).

The amount hereinabove for the Division of Insurance accounts is payable from receipts received from the Special Purpose Assessment of insurance companies pursuant to section 2 of P.L. 1995, c. 156 (C.17:1C-20). If the Special Purpose Assessment cap calculation is less than the amount herein appropriated for this purpose for the Division of Insurance, the appropriation shall be reduced to the level of funding supported by the Special Purpose Assessment cap calculation.

The unexpended balance as of June 30, 1999 in the Pinelands Development Credit Bank account is appropriated for the same purpose.

Receipts in excess of anticipated revenues from examination and licensing fees, bank assessments, fines and penalties and the unexpended balances as of June 30, 1999, not to exceed \$250,000, are appropriated to the Division of Banking, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any provisions of law to the contrary, any surplus balance remaining in the New Jersey Medical Malpractice Reinsurance Recovery Fund after all financial obligations of the New Jersey Medical Malpractice Reinsurance Association are funded, as determined by the Director of the Division of Budget and Accounting, are appropriated for transfer to the General Fund as State revenue.

Upon certification by the Commissioner of Banking and Insurance pursuant to subparagraph (b) of paragraph (9) of subsection a. of section 8 of P.L. 1974, c. 17 (C.17:30A-8) that loans in an amount less than \$160,000,000 per calendar year will satisfy the current and anticipated financial obligations of the Market Transition Facility without reference to the amount of funds remaining from the sale of the Market Transition Facility Senior Lien Revenue Bonds, there is appropriated out of the New Jersey Automobile Insurance Guaranty Fund such sums as may be necessary to satisfy the obligation of the New Jersey Property Liability Insurance Guaranty Fund to make refunds according to law in the amount of any exemption due pursuant to subparagraph (b) of paragraph (9) of subsection a. of section 8 of P.L. 1974, c. 17 (C.17:30A-8).